



EVERYTHING RETIREMENT
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Making the Most of Your Estate



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Building Peace of Mind

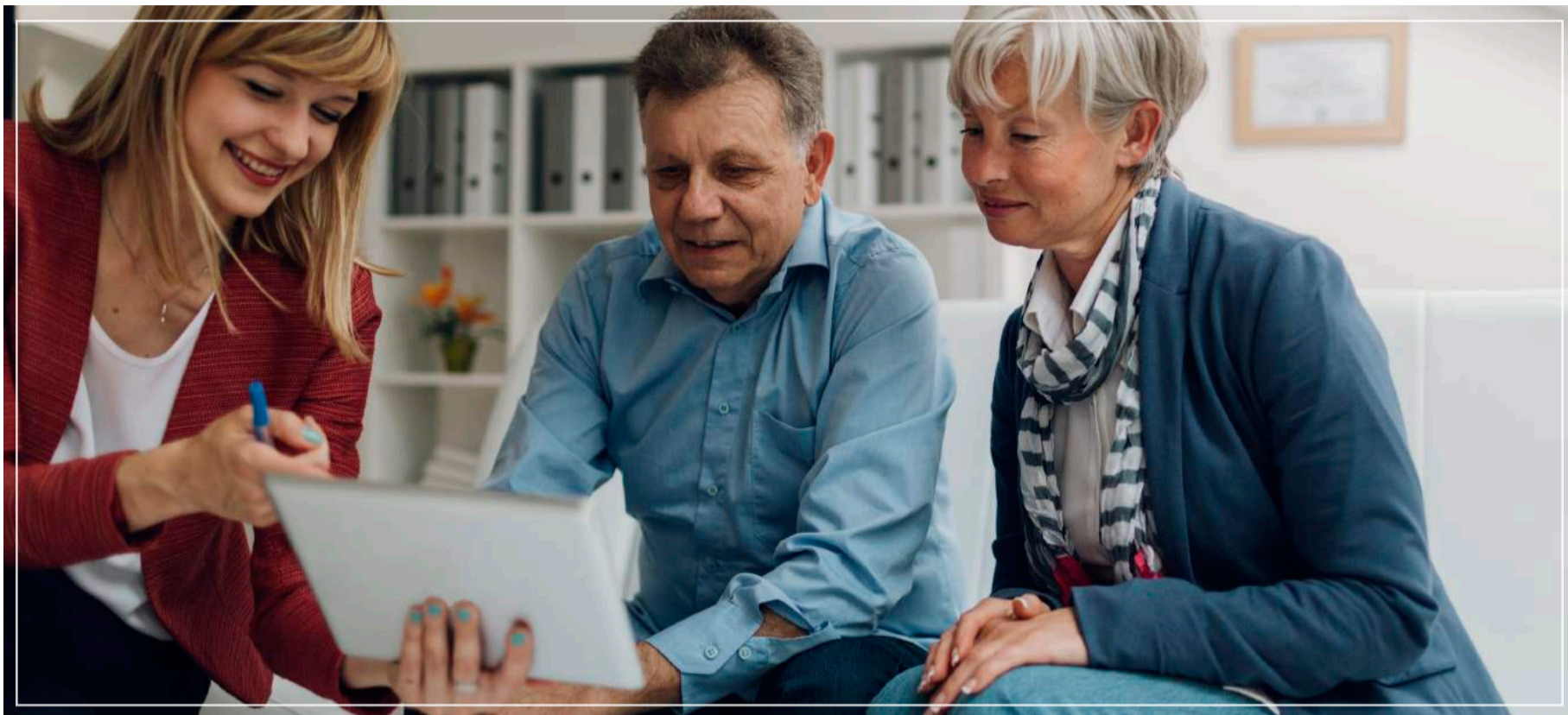


You've spent your lifetime acquiring and safeguarding assets. A carefully considered and up-to-date estate plan is one of the most thoughtful gifts you can leave for your loved ones. It ensures your wishes and directions are known and will be carried out. Being prepared promotes peace of mind.

“Retirement does not mean that you are all through. It means that you have experienced a big break-through to a new freedom, with the time to do the things you've always wanted to do.”

– Wilfred Peterson

The Three Questions



Right now is a great time to take the first steps in planning your estate or to begin making updates to your plan. There are three questions to consider in advance of creating or updating your Will, power of attorney (POA) and other essential documents:

1. Who (Or What) Is Important to You?

Is it your family? Is it a favourite charity? One of the main reasons to prepare a Will is to determine which beneficiaries will receive your assets. In most jurisdictions, legislation is in place to ensure your spouse/common-law partner or any dependent adult children is adequately cared for when you are gone. This decision must be thoughtfully considered and documented accurately.

2. What Do You Own?

People often mistakenly believe the value of their estate is too low to warrant a Will. This is rarely true. Consider all of the assets that will come into play at the time your estate is administered. Your home, vacation property, investments, insurance policies, registered plans, pensions, etc. Without a Will, no one has the right to manage your affairs until an administrator is appointed by the court. Your estate will be in limbo until this step is complete.

3. How Do You Own It?

Having assets held jointly with your spouse/common-law partner often makes sense, especially if your entire estate is left to them. However, there are times when it makes sense to own an asset solely. Are you thinking of re-registering your accounts or real property with someone other than a spouse or common-law partner for convenience or to avoid probate fees? You need to carefully weigh the potential consequences (such as relationship breakdown, creditor issues, loss of control) before proceeding.



Prepare a Financial Inventory



Creating a list of where to find your important personal documents is helpful to your executor. Take the time to review the ownership details of your assets and liabilities. They may be owned solely by you or jointly with your spouse or common-law partner. You may have named a designated beneficiary on life insurance, pensions and registered plans such as RRIFs and TFSAs. You'll want to record the value and locations of your assets and liabilities.

“As in all successful ventures, the foundation of a good retirement is planning.
– Earl Nightingale”

Design the Distribution

Your distribution decisions outline how and when you want the assets of your estate distributed to your beneficiaries. Your Will directs your executor to distribute the assets in one of two ways:

1. An Outright Distribution

Assets are released to your beneficiaries as soon as the required estate administration is completed (including debts paid and final clearance from the Canada Revenue Agency); or,

2. A Testamentary Trust

Assets are transferred from the estate into a testamentary trust to hold, manage and invest for a beneficiary. There are many reasons people decide to leave funds in a trust. It could be for a charity, grandchildren or an adult child that has a disability, difficulty in handling finances or addiction issues.

Preparing the Legal Documents

Although you can legally prepare your own Will, or create one using a do-it-yourself option, if you want to ensure your Will is properly written, correctly executed and provides your executor with the clearest direction, you should involve a qualified legal professional.

Naming an Executor



Administering an estate while grieving can be a difficult and emotionally charged experience. Dealing with complicated duties, probate matter, claims and debts can be overwhelming. The list of responsibilities is long and there is potential for personal liability for your executor.

Naming a family member or friend as your executor may not always be your best option. In certain circumstances, a trust company may be more appropriate, especially if there is the potential for family conflict such as blended families or beneficiaries that don't get along.

Your executor is expected to understand and make decisions regarding real estate, taxes, investment management and trust law. They will need to treat all beneficiaries equitably and fairly and, at the same time, ensure all decisions comply with the terms of your Will, considering all applicable laws and administrative requirements.

Before selecting the right executor and trustee, consider:

Your Assets

Does your estate hold complex assets such as shares, a business or a farm? Do you have real estate in addition to your principal residence such as vacation or rental properties? Do you have assets in a different province or country?

Your Situation

Are you planning to leave your estate to a large number of beneficiaries? Do any of the beneficiaries have a mental or physical disability? Are there children from a previous relationship? Is there likely to be conflict amongst the beneficiaries?

Your Potential Executor

Do they have the time? Do they have the experience? Do they live in the same province as you? Have you asked them if they're willing to take on the role and responsibility?

Powers of Attorney

Planning for a possible illness, accident or disability should be a part of your comprehensive estate plan. If a person dies without a Will, the estate will be distributed under the laws of intestacy. No such safeguard is in place if a mentally incapacitated person doesn't have a power of attorney. Consider if your spouse became mentally incapacitated and you needed to sell your family home. Without a power of attorney, a lengthy and costly court application is required to name a guardian or committee before selling the home.

Power of Attorney for Personal Care (Ontario) or **Representation Agreements** (British Columbia) allow you to name a person to make decisions for you with respect to health and personal matters. These may include your accommodations and participation in social activities. It is appropriate to appoint a family member or close friend that has your best interests at heart.

Power of Attorney for Property empowers a person or trust company to manage your financial affairs during your lifetime. The authority you grant can be limited to specific activities or assets or can be general, providing your attorney with broad control over your financial affairs.

Your power of attorney should be enduring, meaning that it will continue to be in effect if you become mentally incapacitated. In British Columbia and Ontario the power of attorney can come into effect on a specified future date or event, such as your loss of mental capacity.

As with a Will, it's important to work with an estate lawyer to ensure you are fully aware of the powers and authority you are granting to your attorney.

Your attorney should be both trustworthy and competent to handle the responsibility. Handling another person's property and finances can be a time-consuming and frustrating role, especially for an inexperienced attorney. A trust company is a viable option and will ensure your assets are managed and financial transactions completed in a timely manner.

“

Planning is bringing the future into the present so that you can do something about it now.

– Alan Lakein

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Keeping Your Plan Up-to-Date

Life happens! Personal and financial situations change. Consequently, it's a good idea to review your plan every three to five years or when there's been a major life change in your or your beneficiaries' lives, such as a change in marital or relationship status, births or deaths.

Read It. Understand It.

Once your estate lawyer has drafted your Will, Power of Attorney and any other estate documents, take the time to read the documents fully. If there's a clause or section you don't understand or feel comfortable with, ensure your lawyer explains it so you can fully understand each component.

Sharing Your Plan

Speaking to your family about your plan may be uncomfortable, but letting them know your decisions can provide peace of mind and allow them to feel secure in the knowledge you have thoughtfully completed your estate plan.